

The Truth About Credit Cards

**If you don't have the money,
or you won't be getting the money soon,
don't charge it!**

**A credit card is not free money; you must pay the money back
Know your cards finance charges and possibly penalties**

**Not an option to avoid getting a job
Not intended to be a means of overextending yourself**

Pros

vs.

Cons

- Convenient to carry and use.
 - Safer than carrying around large amounts of cash.
 - An extra source of money in emergency situations.
 - A means of building up your credit record which may eventually help you in purchasing a home, car, etc.
 - Accepted at most U.S. businesses and in many other countries worldwide.
 - May be used as a short term (20-25 day) interest-free loan, depending on the specific credit card.
 - Benefits such as frequent flier mileage, cash rebates, etc. may be provided depending on specific credit card.
 - A means to purchase items you may not be able to pay for in full at one time.
- Perhaps TOO convenient to use! (charging too much)
 - May be stolen and used fraudulently.
 - Penalties for late payments may go up as high as 20% or more.
 - Personal misuse may lead to debt and/or a poor credit history.
 - Not accepted at all (100%) stores, restaurants, etc. locations nationwide or worldwide.
 - Finance charges appear when you do not pay your monthly bill payments in full or on time-or when you make cash advances.
 - Severe late fees ranging from \$20-25 may apply for late bill payments.